2 2 MAR 1958

The Henorable Maurice H. Stans Director Bureau of the Budget Washington 25, D. C.

Dear Mr. Stans:

The State Department has forwarded to the Bureau for review legislative proposals to amend the Foreign Service Act of 1946, as amended.

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Mr. Loy Henderson has communicated with \_\_\_\_\_\_\_ concerning the provisions of section ll of State's proposals. This section would provide authority for the extension of appointments of Foreign Service Reserve efficers, not to exceed an additional five years, where the Secretary of State doesns such extension or reappointment to be in the public interest. Where the reappointment involves an individual formerly employed by another Government agency the appointment may not be extended without the consent of the head of the agency concerned.

In his letter dated 6 May 1958, Mr. Henderson provided the reasons for proposing the new section II. We believe the proposal is sound and its exactment is urgently required to meet current problems of this Agency.

We have reviewed the State Department draft amendments in their entirety and have no objection to any of the previsions contained therein. They present desirable objectives which we believe would promote the efficiency of the Foreign Service.

We wish to note in passing that section 27(b) of State's proposal, amending section 803 of the Foreign Service Act, as amended, provides for the participation of Foreign Service staff officers and employees in the Foreign Service Settrament and Disability System under certain circumstances. We have discussed this provision with State Department

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STAT	representatives who advise that the Department feels there is sufficient latitude in the language	25X1
	If the Sureau of the Budget should require further information or wish to discuse these or other matters pertaining to the State Department proposals, please call our Legislative Counsel, Mr. John S. Warner.	STAT
	Sincerely,	
	Signed	
	Alien W. Dulles Director	
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The Bureau of the Budget has requested Agency comment on the Omnibus bill submitted by the State Department to amend the Foreign Service Act. State is pushing hard in an attempt to get consideration of this bill in this Congress.

Under Secretary Henderson's letter to Budget is attached also.

Assistant to the Legislative Counsel

16 May 1958 (DATE) Approved For Release 2003/12/04 : CIA-RDP80R01731R000700420009-4

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FORM NO. 101 REPLACES FORM 10-101 1 AUG 54 WHICH MAY BE USED.

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Replaces Form 30-4 which may be used. FORM NO. 237

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